

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric
Company (U39E) for Authorization to Procure
Energy Storage Systems During the 2016-2017
Biennial Procurement Period Pursuant to
Decision 13-10-040

Application 16-03-001
(Filed March 1, 2016)

And Related Matters

Application 16-03-002
Application 16-03-003

**COMMENTS OF THE ALLIANCE FOR RETAIL ENERGY MARKETS AND
DIRECT ACCESS CUSTOMER COALITION ON PROPOSED DECISION**

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August 18, 2016

**SUBJECT INDEX OF RECOMMENDED CHANGES
TO PROPOSED DECISION**

- Correct inadvertent errors referencing the section discussing energy storage credits related to projects funded through the Self-Generation Incentive Program.

TABLE OF AUTHORITIES

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**COMMENTS OF THE ALLIANCE FOR RETAIL ENERGY MARKETS AND
DIRECT ACCESS CUSTOMER COALITION ON PROPOSED DECISION**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the Alliance for Retail Energy Markets¹ (“AReM”) and Direct Access Customer Coalition² (“DACC”) provide these brief comments on *Decision Approving Storage Procurement Framework for the 2016 Biennial Procurement Period* (“PD”) issued in this consolidated proceeding on July 29, 2016 by Administrative Law Judge Michelle Cooke.

AReM and DACC focus their comments on Section 4 of the PD, addressing whether the utilities have correctly counted existing eligible energy storage credits toward their 2016 energy storage procurement targets as directed in Decision (“D.”) 16-01-032. This decision required a

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California’s direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members respect to the issues addressed herein.

² DACC is a regulatory alliance of educational, commercial, industrial and governmental customers who have opted for direct access to meet some or all of their electricity needs. In the aggregate, DACC member companies represent over 1,900 MW of demand that is met by both direct access and bundled utility service and about 11,500 GWH of statewide annual usage.

50:50 split for counting energy storage projects funded through the Self-Generation Incentive Program (“SGIP”) with 50% counting toward the investor-owned utility’s (“IOUs”) targets and 50% counting toward the targets of the customer’s Community Choice Aggregator (“CCA”) or electric service provider (“ESP”), as applicable.³

AReM and DACC strongly support the PD’s determinations on the 50:50 counting rule and urge their adoption. In particular, the PD requires the IOUs to comply with the 50:50 SGIP counting rule⁴ and establishes the process by which the IOUs will make information available regarding SGIP-related storage megawatts (“MWs”) to ESPs and CCAs, including:

- Directing the IOUs to provide a “breakout” of SGIP-funded energy storage installations by bundled, CCA, and direct access customers “as part of future biennial procurement contract approval applications;”⁵
- Directing the IOUs “to file a Tier 1 Advice Letter containing the breakout of SGIP-funded installations” and serve it on parties of current storage proceedings, when the IOUs are procuring storage outside of the biennial proceedings;⁶ and
- Ordering the IOUs to consult with Energy Division “to develop the content and format for reporting the allocation of credits for SGIP-funded projects.”⁷

AReM and DACC believe that these directives will ensure IOUs’ compliance with D.16-01-032 and provide ESPs and CCAs and their customers with needed information to assist in their independent procurement efforts to comply with the energy storage targets adopted in D.13-10-040.

³ D.16-01-032, p. 43-44.

⁴ See, for example, PD, Conclusion of Law 9, requiring San Diego Gas & Electric Company to comply with the 50:50 split directed in D.16-01-032 for SGIP-funded projects.

⁵ PD, Ordering Paragraph 5.

⁶ *Ibid.*

⁷ PD, Ordering Paragraph 6.

However, AReM and DACC respectfully request that the PD be modified to correct inadvertent technical errors citing “Section 5” in referencing the SGIP-related storage credits, when such credits are actually discussed in Section 4 of the PD. The recommended corrections are as follows:

PD, Section 8, p. 17:

Pending recalculation of existing eligible energy storage credits detailed in ~~Section 5~~ **Section 4**, and elimination of SDG&E’s RFO contingency provision detailed in Section 6, PG&E’s, SCE’s, and SDG&E’s proposed procurement plans for the 2016 Biennial Solicitation comply with D.13-10-040 and D.16-01-032, and should be adopted.

PD, Conclusions of Law, p. 24:

17. After recalculation of existing energy storage credits detailed in ~~Section 5~~ **Section 4** and elimination of SDG&E’s RFO contingency provision detailed in Section 6 PG&E’s, SCE’s, and SDG&E’s proposed procurement plans for the 2016 Biennial Solicitation comply with D.13-10-040 and D.16-01-032, and should be adopted.

PD, Ordering Paragraphs, p. 25:

3. San Diego Gas & Electric Company must recalculate existing energy storage credits detailed in ~~Section 5~~ **Section 4** and make a compliance filing within 15 days of the effective date of this decision specifying the total megawatts of energy storage it will solicit in its 2016 Request for Offers.

As required by Rule 14.3(b) of the Commission’s Rules of Practice and Procedure, the proposed correction to Conclusion of Law 17 is also specified in the Appendix attached to these comments.

In conclusion, AReM and DACC support the PD's determinations regarding the 50:50 counting rule for SGIP-funded projects established in D.16-01-032 and urge they be adopted in the final decision. At the same time, AReM and DACC have identified several inadvertent technical errors in referencing the section addressing the SGIP issue and therefore respectfully request that the PD be corrected as specified herein.

Respectfully submitted,

A handwritten signature in black ink that reads "Sue Mara". The signature is fluid and cursive, with the first name "Sue" being more prominent than the last name "Mara".

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APPENDIX

RECOMMENDED MODIFICATION TO CONCLUSIONS OF LAW

Proposed Modification to Conclusion of Law 17:

17. After recalculation of existing energy storage credits detailed in ~~Section 5~~ **Section 4** and elimination of SDG&E's RFO contingency provision detailed in Section 6 PG&E's, SCE's, and SDG&E's proposed procurement plans for the 2016 Biennial Solicitation comply with D.13-10-040 and D.16-01-032, and should be adopted.